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Item 5 of the provisional agenda

PROGRAMME AND BUDGETS, 2006-2007

Implementation of Programme and Budget Committee conclusion 2005/3

Report of the Chairperson, Programme and Budget Committee

(Ms. Sandra Noriega Urizar, Guatemala)

1. At its twenty-first session, the Programme and Budget Committee adopted conclusion 2005/3, in which it invited the Chair to conduct open-ended informal consultations in order to give clear guidance to the Secretariat on the proposed programme and budgets, 2006-2007, before the thirtieth session of the Industrial Development Board. In the same conclusion, the Committee invited the Secretariat to provide Member States with adjustments, if necessary, to document IDB.30/6-PBC.21/6.

2. Taking into account the interventions of delegations during the twenty-first session of the Committee, informal consultations were conducted at various levels during the period following the session. Meetings of the Enlarged Bureau of the Committee on 10 and 17 June 2005 discussed two working papers, as shown in the annexes to the present document. As of 17 June 2005, consultations were still ongoing. Any further developments will be reported orally to the Board.

For reasons of economy, this document has been printed in a limited number. Delegates are kindly requested to bring their copies of documents to meetings.

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Annex

Working paper 1

Nr.	Prog.	Description	Reduction (euros)	RPTC (euros)	Total fin. Impact (euros)	Accumu-lated reduction (euros)	Reduced RB (euros)	Impact
							151 945 600	
1	I, H	Reduction in BMS special fund level, withdrawal of euro 1.5 million and thus reduction in VBOs contribution to BMS	247 020	15 767	262 787	262 787	151 682 813	Financing for major maintenance work (C building) to be secured in future budgets.
2	I	Deletion of access control system recurring costs (total $325,000 or euro 264,225)	43 513	2 777	46 290	309 077	151 636 523	The investment cost for the system has not yet been approved.
3	A10	PMO meetings reduced translation (out of a total of €2.3 million)	300 000	19 149	319 149	628 226	151 317 374	The Secretariat will have to strive for producing more concise documentation for the PMOs.
4	G50	Slower replacement of office automation equipment	300 000	19 149	319 149	947 375	150 998 225	New office automation technologies will be applied at a slightly slower pace.
5	A, B, C, D, E, F, G	Across-the-board reduction in travel (HQ staff only)	200 000	12 766	212 766	1 160 141	150 785 459	UNIDO's presence on international forums will be slightly reduced.
6	B20	Cancellation of one new PS post in OCG	217 000	13 851	230 851	1 390 992	150 554 608	Slower improvement in the performance and accountability of the Organization.
7	B20	Cancellation of one new PS post in OCG	217 000	13 851	230 851	1 621 843	150 323 757	Increased risk to the Organization due to lesser value addition and improvements to UNIDO's operations through examination and assessment of the Organization's activities.
8	B20	Cancellation of one new PS post in OCG	217 000	13 851	230 851	1 852 694	150 092 906	Risk of delayed start of successive phases of projects and programmes already completed.
9	B20	Cancellation of one new P4 post in OCG	269 000	17 170	286 170	2 138 864	149 806 736	Overall decrease in improvements in the design, efficiency and effectiveness of UNIDO services and political concerns of not following the recommendations of the External Auditor.
10	G30	Reduction in provision for communication service charges	147 519	9 416	156 936	2 295 800	149 649 800	Increased cost recovery.

Working paper 2

Nr.	Prog.	Description	Reduction (euros)	RPTC (euros)	Total fin. Impact (euros)	Accumu-lated reduction (euros)	Reduced RB (euros)	Impact
							151 945,600	
1	I, H	Reduction in BMS special fund level, withdrawal of €1.5 million and thus reduction in VBOs contribution to BMS	247 020	15 767	262 787	262 787	151 682 813	Financing for refurbishment (C building) to be secured in future budgets.
2	I	Deletion of access control system recurring costs (total $325,000 or €264,225)	43 513	2 777	46 290	309 077	151 636 523	The investment cost for the system has not yet been approved.
3	A10	PMO meetings reduced translation (out of a total of €2.3 million)	75 000	4 787	79 787	388 864	151 556 736	The Secretariat will have to strive for producing more concise documentation for the policy-making organs.
4	G50	Slower replacement of office automation equipment	75 000	4 787	79 787	468 652	151 476 948	New office automation technologies will be applied at a slightly slower pace.
5	A, B, C, D, E, F, G	Across-the-board reduction in travel (HQ staff only)	50 000	3 191	53 191	521 843	151 423 757	UNIDO's presence in international forums will be slightly reduced.